

W.P. CAREY & CO. LLC

Funds From Operations
(in thousands except per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Net income (loss)	\$ (3,719)	\$ 133	\$ 46,588	\$ 35,761
Gain on sale of real estate	(592)	(677)	(15,323)	(1,904)
Non-cash settlement income			(2,097)	
Funds from operations of equity investees in excess of equity income (loss)	3,375	1,411	7,508	3,677
Depreciation, amortization, deferred taxes and other noncash charges	11,050	8,399	37,740	32,817
Minority interest in income (loss)	(73)	30	(120)	(68)
Straight-line rents	(163)	(228)	(639)	(897)
Writeoff of straight-line rents	142		142	1,321
Impairment charge on real estate investments	22,386	11,880	29,410	12,643
SAB 101 adjustment		222	(1,197)	810
Funds from operations	\$ 32,406	\$ 21,170	\$ 102,012	\$ 84,160
Funds From Operations per share -				
Basic	\$ 0.90	\$ 0.61	\$ 2.87	\$ 2.44
Diluted	\$ 0.87	\$ 0.59	\$ 2.81	\$ 2.41
Weighted average shares outstanding:				
Basic	35,938,531	34,639,497	35,530,334	34,465,217
Diluted	37,079,149	35,636,759	36,265,230	34,952,560

Funds from operations is calculated as net income (loss), excluding gains (or losses) from debt restructuring and sales of property, plus certain noncash items (primarily real estate depreciation, impairments and deferred taxes) and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations does not represent net income or cash flows generated from operating activities in accordance with GAAP. It should not be considered an alternative to net income as an indication of the Company's operating performance or to cash flows as a measure of liquidity or an indicator of the Company's ability to fund its cash needs.

W.P. CAREY & CO. LLC

Consolidated Statements of Operations
(in thousands except share and per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Revenues:				
Management income from affiliates	\$ 33,503	\$ 14,722	\$ 84,255	\$ 46,911
Rental income	12,062	11,422	47,865	45,756
Interest income from direct financing leases	5,674	6,264	23,001	26,355
Interest and other income	745	2,718	2,985	6,983
Revenue of other business operations	942	755	3,498	3,263
	<u>52,926</u>	<u>35,881</u>	<u>161,604</u>	<u>129,268</u>
Expenses:				
Interest	3,863	4,523	16,457	19,560
Depreciation	2,802	2,496	10,834	10,023
Amortization	2,284	3,463	9,214	13,857
General and administrative	15,858	9,575	42,594	29,331
Property expenses	1,462	1,931	6,530	6,877
Impairment charge on real estate investments	21,186	9,234	21,186	9,997
Operating expenses of other business operations	583	619	2,338	2,376
	<u>48,038</u>	<u>31,841</u>	<u>109,153</u>	<u>92,021</u>
Income from continuing operations before minority interest, equity investments, gain on sale and income taxes	4,888	4,040	52,451	37,247
Minority interest in (income) loss	73	(30)	120	68
Income (loss) from equity investments	(1,526)	(408)	(443)	2,827
Gain on sale of real estate and other investments, net	329	721	12,745	1,948
Income from continuing operations before income taxes	3,764	4,323	64,873	42,090
Provision for income taxes	(6,841)	(2,550)	(18,199)	(8,476)
Income (loss) from continuing operations	(3,077)	1,773	46,674	33,614
Discontinued operations:				
Income from discontinued operations	558	1,006	8,138	4,793
Impairment charge on properties held for sale	(1,200)	(2,646)	(8,224)	(2,646)
Net income (loss)	<u>\$ (3,719)</u>	<u>\$ 133</u>	<u>\$ 46,588</u>	<u>\$ 35,761</u>
Basic (loss) earnings per share:				
Earnings (loss) from continuing operations	\$ (0.08)	\$ 0.05	\$ 1.31	\$ 0.98
Earnings (loss) from discontinued operations	(0.02)	(0.05)	(0.00)	0.06
Basic earnings (loss) per share	<u>\$ (0.10)</u>	<u>\$ 0.00</u>	<u>\$ 1.31</u>	<u>\$ 1.04</u>
Diluted earnings per share:				
Earnings (loss) from continuing operations	\$ (0.08)	\$ 0.05	\$ 1.28	\$ 0.96
Earnings (loss) from discontinued operations	(0.02)	(0.05)	(0.00)	0.06
Diluted earnings (loss) per share	<u>\$ (0.10)</u>	<u>\$ 0.00</u>	<u>\$ 1.28</u>	<u>\$ 1.02</u>
Weighted average shares outstanding:				
Basic	<u>35,938,531</u>	<u>34,639,497</u>	<u>35,530,334</u>	<u>34,465,217</u>
Diluted	<u>35,938,531</u>	<u>35,636,759</u>	<u>36,265,230</u>	<u>34,952,560</u>